

# Federal Accounting Standards Advisory Board

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## NEWS RELEASE

### **AAPC PUBLISHES EXPOSURE DRAFT OF A NEW FEDERAL FINANCIAL ACCOUNTING TECHNICAL RELEASE ENTITLED *CLARIFICATION OF STANDARDS RELATING TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION'S SPACE EXPLORATION EQUIPMENT***

The Chairperson of the Accounting and Auditing Policy Committee (AAPC), Wendy Comes, announced today that the AAPC has issued an exposure draft of a new Federal Financial Accounting Technical Release entitled *Clarification of Standards Relating to the National Aeronautics and Space Administration's Space Exploration Equipment*. Ms. Comes stated that the proposed technical release "is intended to clarify options available to resolve a long-standing issue. The proposal was developed by a task force chaired by Patricia Healy, Deputy Chief Financial Officer at the Department of Agriculture. The task force provided a timely recommendation to the full committee and I am hopeful that this will lead to swift and appropriate technical guidance on the issues."

The purpose of this proposed technical release is to provide technical guidance to the National Aeronautics and Space Administration (NASA) regarding the accounting treatment of NASA's space exploration equipment for financial reporting purposes. At issue is whether it is permissible to treat the acquisition or development costs of any of this equipment as research and development costs. Three specific questions were posed to the AAPC by NASA in reference to the issue. The objective of this technical release is to provide guidance to NASA on the application of the current FASAB standards.

Specific questions for respondents are included in the exposure draft and other comments are welcome. Responses are requested by March 2, 2007. An electronic version of the exposure draft is available on the World Wide Web at [www.fasab.gov/exposure.htm](http://www.fasab.gov/exposure.htm). Printed copies can be obtained from FASAB by calling 202-512-7350.

## ABOUT AAPC

The Accounting and Auditing Policy Committee (AAPC) was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO) [formerly the General Accounting Office], the

Chief Financial Officers' Council (CFOC), and the President's Council on Integrity and Efficiency (PCIE), as a body to research accounting and auditing issues requiring guidance.

The AAPC serves as a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). The mission of the FASAB is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of Federal financial information. The mission of the AAPC is to assist the Federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation, which are not specifically or fully discussed in Federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

For more information on AAPC and FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).